

104TH CONGRESS
1ST SESSION

H. R. 1947

To amend the Internal Revenue Code of 1986 to revise certain rules relating to fuel excise tax refunds, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 1995

Mr. MCCRERY (for himself, Mr. HERGER, and Mr. JACOBS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to revise certain rules relating to fuel excise tax refunds, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Miscellaneous Fuel
5 Tax Corrections Act of 1995”.

6 **SEC. 2. INTEREST PAYABLE ON GASOLINE TAX REFUNDS**
7 **TO WHOLESALE DISTRIBUTORS.**

8 Paragraph (4) of section 6416(a) of the Internal Rev-
9 enue Code of 1986 is amended by adding at the end the
10 following new subparagraph:

1 “(C) PERIOD FOR FILING CLAIMS, ETC.—

2 “(i) IN GENERAL.—A claim may be
3 filed under this paragraph by any person
4 with respect to gasoline sold during any
5 period—

6 “(I) for which \$200 or more is
7 payable under this paragraph, and

8 “(II) which is not less than 1
9 week.

10 “(ii) PAYMENT OF CLAIM.—Notwith-
11 standing subsection (b), if the Secretary
12 has not paid pursuant to a claim filed
13 under this paragraph within 20 days after
14 the date of the filing of such claim, the
15 claim shall be paid with interest from such
16 date determined by using the overpayment
17 rate and method under section 6621.

18 “(iii) TIME FOR FILING CLAIM.—No
19 claim filed under this paragraph shall be
20 allowed unless filed during the 1st quarter
21 following the last quarter included in the
22 claim.”

1 **SEC. 3. INTEREST PAYABLE ON REFUNDS OF TAXES ON**
2 **DIESEL FUEL AND AVIATION FUEL.**

3 Paragraph (4) of section 6427(i) of the Internal Rev-
4 enue Code of 1986 is amended to read as follows:

5 “(4) SPECIAL RULE FOR NONTAXABLE USES OF
6 DIESEL FUEL AND AVIATION FUEL.—

7 “(A) IN GENERAL.—A claim may be filed
8 under subsection (l) by any person with respect
9 to fuel used by such person for any period—

10 “(i) for which \$250 or more is pay-
11 able under subsection (l), and

12 “(ii) which is not less than 1 month.

13 “(B) PAYMENT OF CLAIM.—Notwithstand-
14 ing subsection (l)(1), if the Secretary has not
15 paid pursuant to a claim filed under this para-
16 graph within 20 days after the date of the filing
17 of such claim, the claim shall be paid with in-
18 terest from such date determined by using the
19 overpayment rate and method under section
20 6621.

21 “(C) TIME FOR FILING CLAIM.—No claim
22 filed under this paragraph shall be allowed un-
23 less filed during the 1st quarter following the
24 last quarter included in the claim.”

1 **SEC. 4. VENDOR REFUNDS FOR FUEL USED IN CERTAIN**
2 **BUSES AND AS HEATING OIL.**

3 (a) CERTAIN BUSES.—

4 (1) IN GENERAL.—Paragraph (1) of section
5 6427(b) of the Internal Revenue Code of 1986 is
6 amended to read as follows:

7 “(1) ALLOWANCE.—Except as otherwise pro-
8 vided in this subsection and subsection (k), if—

9 “(A) any fuel other than gasoline (as de-
10 fined in section 4083(a)) on the sale of which
11 tax was imposed by section 4041(a) or 4081 is
12 used in an automobile bus while engaged in—

13 “(i) furnishing (for compensation)
14 passenger land transportation available to
15 the general public, or

16 “(ii) the transportation of students
17 and employees of schools (as defined in the
18 last sentence of section 4221(d)(7)(C)),
19 and

20 “(B) the ultimate vendor of such fuel
21 meets the requirements of clauses (i) and (ii) of
22 subsection (l)(5)(B),

23 the Secretary shall pay (without interest) to such ul-
24 timate vendor an amount equal to the product of the
25 number of gallons of such fuel so used multiplied by

1 the rate at which tax was imposed on such fuel by
2 section 4041(a) or 4081, as the case may be.”

3 (2) REFUNDS WITH INTEREST.—Subparagraph

4 (A) of section 6427(i)(5) of such Code is amended—

5 (A) by inserting “(b) or” before “(l)(5)”
6 the first place it appears,

7 (B) by striking “subsection (l)(5)” the sec-
8 ond place it appears and inserting “subsections
9 (b) and (l)(5)”, and

10 (C) by striking “subsection (l)(1)” and in-
11 serting “subsections (b)(1) and (l)(1)”.

12 (3) TECHNICAL AMENDMENTS.—

13 (A) Subparagraph (B) of section
14 6427(b)(2) of such Code is amended by striking
15 “(1)(B)” and inserting “(1)(A)(ii)”.

16 (B) Paragraph (3) of section 6427(b) of
17 such Code is amended by striking “(1)(A)” and
18 inserting “(1)(A)(i)”.

19 (b) HEATING OIL.—Subparagraph (A) of section
20 6427(l)(5) of such Code is amended by striking “or” at
21 the end of clause (i), by striking the period at the end
22 of clause (ii) and inserting “, or”, and by adding at the
23 end the following new clause:

24 “(iii) as heating oil.”

1 **SEC. 5. DIESEL FUEL SOLD FOR USE OR USED IN DIESEL-**
2 **POWERED BOATS TAXED ONLY ON RETAIL**
3 **SALE.**

4 (a) TAX-FREE SALES FOR USE IN DIESEL-POWERED
5 BOATS.—Subsection (b) of section 4082 of the Internal
6 Revenue Code of 1986 (relating to exemptions for diesel
7 fuel) is amended by striking “and” at the end of para-
8 graph (2), by striking the period at the end of paragraph
9 (3) and inserting “, and”, and by adding at the end the
10 following new paragraph:

11 “(4) any use in a diesel-powered boat.”

12 (b) APPLICATION OF PENALTY AT RETAIL LEVEL.—
13 Paragraph (2) of section 6714(c) of such Code, as added
14 by section 13242 of the Omnibus Budget Reconciliation
15 Act of 1993, is amended to read as follows:

16 “(2) NONTAXABLE USE.—

17 “(A) IN GENERAL.—Except as provided in
18 subparagraph (B), the term ‘nontaxable use’
19 has the meaning given such term by section
20 4082(b).

21 “(B) EXCEPTION FOR TAXABLE SALES
22 AND USES OF FUEL IN DIESEL-POWERED
23 BOATS.—Subparagraph (A) shall not apply to
24 dyed fuel sold for use or used in a diesel-pow-
25 ered boat if tax is imposed on such sale or use
26 under 4041(a)(1) and such tax is not paid.”

1 (c) CORRECTION OF SECTION NUMBERING.—

2 (1) Part II of subchapter B of chapter 68 of
3 such Code is amended by redesignating section 6714
4 (relating to dyed fuel sold for use or used in taxable
5 use, etc.), as added by section 13242(b)(1) of the
6 Omnibus Budget Reconciliation Act of 1993, as sec-
7 tion 6715.

8 (2) The table of sections for such part is
9 amended by redesignating the item relating to sec-
10 tion 6714 (relating to dyed fuel sold for use or used
11 in taxable use, etc.), as added by section
12 13242(b)(2) of such Act, as section 6715.

13 **SEC. 6. NO PENALTY ON ADDITION OF KEROSENE IN CER-**
14 **TAIN CASES.**

15 Paragraph (3) of section 6715(a) of the Internal Rev-
16 enue Code of 1986, as redesignating by section 4, is
17 amended by inserting before the comma “unless such al-
18 teration is through the addition of kerosene by a person
19 who is not described in paragraph (1) or (2) with respect
20 to such fuel”.

21 **SEC. 7. REFUND FOR TAX-PAID DIESEL FUEL WHICH IS**
22 **COMMINGLED WITH DYED DIESEL FUEL.**

23 Paragraph (2) of section 6427(l) of the Internal Rev-
24 enue Code of 1986 is amended by adding at the end the
25 following new flush sentence:

1 “Such term includes the addition of diesel fuel on
2 which tax has been imposed by section 4081 to dyed
3 diesel fuel if such addition is established to the satis-
4 faction of the Secretary as being accidental.”

5 **SEC. 8. EFFECTIVE DATE.**

6 The amendments made by this Act shall take effect
7 on the date of the enactment of this Act; except that no
8 interest shall be paid by reason of such amendments with
9 respect to any claim filed before such date.

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